



BRAEMAR SEASCOPE GROUP PLC
("the Company")

TERMS OF REFERENCE FOR THE AUDIT COMMITTEE

1. Constitution

The Audit Committee ("the Committee") is a sub committee of the Board reporting to the Board

2. Membership

The members of the Committee shall be appointed and removed from time to time by the Board from among the non-executive directors of the Company and shall consist of not less than two members. The Chairman of the Group shall not be a member of the Audit Committee.

3. Quorum

A quorum shall be two members of the Committee.

4. Chairman

The Chairman of the Committee ("the Chairman") shall be appointed and removed by the Board. The Chairman shall have relevant financial experience.

5. Attendance at Committee Meetings

Other persons may attend meetings of the Committee ("Committee Meetings") at the discretion of the Chairman of the Committee; provided however the Finance Director of the Company shall be entitled to attend Committee Meetings.

The Company Secretary (or failing him a person nominated by the Chairman of the Committee), shall be the secretary of the Committee and shall attend all Committee Meetings.

At least once a year the Committee shall meet with the external auditors without any executive directors of the Board present.



6. Frequency of Committee Meetings

Committee Meetings shall be held as and when requested to handle specific matters and at regular intervals to deal with routine matters, but in any event shall be held not less than twice a year.

The external auditors may request a Committee Meeting if they consider that such a Committee Meeting is necessary or desirable.

7. Authority

The Committee is authorised by the Board to investigate any activity within its terms of reference as set out below. It is authorised to seek any information it requires from any employee or director of the Company or other companies within the group and all employees and directors are required to co-operate with any request made by the Committee

The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance at Committee Meetings of outsiders with relevant experience and expertise if it considers this necessary or desirable.

8. Duties

The duties of the Committee are:

- (a) to consider the appointment of the external auditors, the audit fee, and any questions of resignation or dismissal of the external auditors;
- (b) to monitor the external auditors' independence and objectivity and to consider the appointment of the external auditors for advice on non-audit matters including monitoring the level of fees for such non-audit advice;
- (c) to discuss with the external auditors before the audit commences, the nature and scope of the audit and their fees and to ensure co-ordination where more than one audit firm is involved;
- (d) to review the effectiveness of the audit process;
- (e) to review the external auditors' management letter and management's response;



- (f) to monitor compliance with the London Stock Exchange's and other legal requirements for financial reporting, including under special project circumstances such as shareholder circulars;
- (g) to review the Company's half-year and annual financial statements and preliminary announcements before submission to the Board, focusing particularly on:
 - (i) any changes in accounting policies and practices;
 - (ii) major judgmental areas;
 - (iii) significant adjustments resulting from the audit;
 - (iv) the going concern assumption;
 - (v) compliance with accounting standards; and
 - (vi) compliance with London Stock Exchange's and other legal requirements;
- (h) to discuss problems and reservations arising from the interim and final audits and any matters the external auditors may wish to discuss (in the absence of the Company's management where necessary);
- (i) to review the Company's statement on internal control systems prior to endorsement by the Board;
- (j) (where an internal audit function exists) to review the internal audit programme, ensure co-ordination between the internal and external auditors, and ensure that the internal audit function is adequately resourced and has appropriate standing within the Company or where an internal audit department does not exist to review the need for one on an annual basis;
- (k) to consider the findings of the internal investigations and the management's response;
- (l) to institute special projects or investigations on any matter within the Committee's terms of reference as it sees fit; and
- (m) to consider from time to time whether any special remit should be referred to the external auditors or to any other external body.



9. Reporting Procedures

The Secretary shall circulate the minutes of the Committee Meetings to all members of the Board.

A summary of the Committee's work, including reference to an examination of the annual accounts, shall be included each year in the Company's annual report.